

July 4 1942

Subject: Report on FBQ Co Inc and OSS Radio Activity

To: Lt Colonel C Preston Goodfellow
(Copy for Colonel Donovan attached)

1. Pursuant to letter to Chief, Intelligence Group, MIS of March 29, 1942 and your letter of March 18, 1942, I was ordered to set up certain installations for the COI, now the OSS. This report of progress on the above is respectfully submitted for your information.

2. Practically all the \$150,000 FBQ Co Inc equipment has been ordered and has been delivered or will be delivered within the next sixty days. The renovation of the Bellmore building has been completed and all rhombics and antennae erected. The North Hollywood building and rhombics, etc. will be completed within forty days. In the meantime some of the equipment and old rhombics etc. are in operation in the temporary former NEC quarters. Excellent transmission facilities which can be keyed to Hollywood and Bellmore have been spotted and recommendation made on the immediate rental of same. The total initial and installation costs and one year's operation costs shall not exceed the budget estimate submitted by me on April 2, 1942, of slightly over a million dollars.

3. The following sections of FBQ Co Inc have been initiated and organized although some of them shall not be brought up to full strength until the necessary equipment is ready.

- A. Engineering Department
 - 1. Monitoring Section
 - 2. Maintenance Section
 - 3. Planning and Construction Section
 - 4. Recording Section
 - 5. Intelligence and Record Section
- B. Code and Cipher Section
- C. Translation and Editorial Section
- D. Security and Police Section
- E. Business Management Section

Other sections to complete my plan will be organized as facilities become ready. Organization modeled on 1937-38 German Gestapo Radio Bureau supposedly still in use, (information obtained in Europe at that time).

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4. Notwithstanding the fights, obstacles and resistances involved, after about sixty days the FBQ Co Inc is operating and in about sixty days more it will be ready for capacity operation. I feel I don't have to tell you the Herculean nature of the job and the fact that I have spotted further equipment and personnel for these key installations and looked ahead to the relay points, control points for communication with our agents and operations in enemy country and even given thought to the equipment of the latter though only specifically charged with FBQ Co Inc.

5. Due to my past experience and interest in the Army in Intelligence and in radio interception, communication, recording and security systems and that I shall have organized the basic installations, I understand the OSS might desire my services to head up its entire radio activity from agent to FBQ inclusive. Request, however, that I maintain only direction of (FBQ Co Inc) the Bellmore and Hollywood receiving and transmission installations in view of the fact that I am regularly assigned to the MIS and not to the OSS.

6. As of today FBQ Co Inc can pull in signals from the entire world. We receive Gestapo agents' signals from Turkey and South America, German field sets in Kerch, Russia, transmitters in Afganistan and Cape Town and tactical signals from Japanese forces in the field in the East Indies, Burma and China.

7. If my recommendations are carried out with sufficient speed, which are now awaiting Major Lowman's verification, we shall be able to send to the entire world also, even at prescribed hours under certain conditions to flea sets in enemy countries, renting facilities and keying circuits.

8. Next week we shall conduct an experiment with Brazzaville, Africa, to prove among other things that even a 35 watt portable set can communicate direct with Bellmore from Central Africa. Also that the equipment we have ready for the Liberian radio expedition is correct and direct communication with this project can be established and maintained by FBQ.

9. We have successfully lined up material, personnel and Intelligence information (submarine) for the Liberian expedition proposed and desired by S.I. together with both a security plan and a security system for control, communication and relaying of intercepts.

10. Four 1 Kw transmitters and twelve receivers with all other equipment to establish almost immediately four relay points or one or two relay and control points combined have been spotted by us. This equipment may possibly be transported by plane for an almost immediate installation in say England or Ireland with which agents could begin their necessary practice runs.

11. FBQ has begun to pick up important intelligence from the air. attached are one sample report and several supplements issued while you were away, to Chief, IC, IIS. Information obtained by FBQ and brought to various geographic sections have consistently:

(1) been desired and copied on whole,

(2) have not been forthcoming from any other source

The Latin American Branch and Counterintelligence were particularly interested in material we turned over to them. The reports and material were "secret" and unsigned as to "source" so no issues would be raised.

12. Request instructions as to the routing of future and further intelligence which will be obtained by our general monitoring in studying the radio spectrum to assure OSS world communication and to study radio intelligence and general practice in agent communication. No further reports have been issued, pending your orders.

13. Within sixty days teletype circuits will be necessary to handle all the information and for quick receipt of direct messages from the Liberian project or other OSS activities, especially where special transmitter facilities can be rented or supplied.

14. Special security systems are being developed by the FBQ Code and Cipher Section for our routine traffic and other special systems for use by our agents that will require no papers or other evidence to identify and convict them as spies if searched.

15. Unofficially and purely as a secondary operation, equipment has been secured and plans made so as to be able to attempt to receive, record and break certain scrambled signals or cryptophonic channels believed to be not known to any other government agency.

16. A fairly complete and ever increasing list of available second-hand equipment available without priorities is being prepared for every contingency and for every OSS need.

17. A fairly complete and ever increasing list of trained technical personnel, some foreign born American citizens, both in and out of the Army is being prepared for every contingency and for every OSS need. Some of these engineers have been interviewed by the Chief Engineer on a flying trip to many large cities.

18. The FBQ Co Inc library shall soon have as a loan the most complete cryptographic library in America. It has already a practical set of language dictionaries, commercial code books, etc. It also has in process of classification all domestic and foreign patents on all types of cryptophonic and cryptographic radio equipment and various types of radio equipment which might be valuable to our operation or those of our agents or our expeditions such as special direction finders for Liberia etc.

19. Unofficially and purely as a secondary operation, we have not only secured all commercial and procedure codes but have the break down and complete key to the German Gestapo Security System used up to a short time ago, and we expect to be able to read one of the Japanese Diplomatic codes shortly. These operations are important in the study necessary to evolve the best security methods and systems for ourselves and our agents as well as possibly securing vital information which might not be forthcoming from other agencies.

20. Unofficially we have obtained active frequency information from RCA which is the basis for some of the FBI and FCC records and from the Canadian Government's Monitoring and Intercept System. With our own monitoring operations we expect in the next few months to have as good or better active frequency list as can be obtained anywhere which is a basic and vital requirement to any of our operations. The Berne lists in a world war are of no value.

21. The above results in the time stated could only be attained by bi-passing circuitous and formal routes and methods. Natural resistance was forthcoming from the FCC, the Navy and Army Signal Corps who misunderstood the final purposes of the installations and because like so many times in this war there was no precedent here as to the necessity for a separate OSS communication system such as is maintained by the German Gestapo and the English S.O.

22. It was my understanding that Mr Horn and now Major Lowman were charged with many other and various OSI and now OSS radio activities outside of FBQ and also with the design, development, manufacture or purchase of sets for the agents various expeditions or operations, equipment for relay points and agent control points and monitoring stations attached thereto and have charge of all radio operation from agent to the basic control points in the U.S. It was also my understanding that FBQ would furnish all active frequencies, sun spot and all radio intelligence information and also all security methods and systems and maintain close liaison with all activities linked to it. (Reasons why FBQ Co Inc secured equipment and aided in securing personnel for the Liberian Expedition can be supplied by Mr Shapiro S.I. of OSS.

23. Respectfully request a confirmation or clarification of the above and my status and that of Major Lowman and our inter-relationship and responsibilities in the OSS radio picture for the sake of greater efficiency. I shall show a copy of this letter to Major Lowman.

JOHN V GROMBACH
Lt. Colonel, Inf
Contact and Liaison Section
Military Intelligence Service

3 Inclosures:

I.G. Report of June 24

I.G. Report of June 26

I.G. Report of June 27

Based on intelligence supplied by FBQ Co Inc